



State of Utah

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DWS News Release

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UTAH'S EMPLOYMENT SITUATION: August 2007

Utah's number of nonfarm wage and salaried jobs for August dropped just a bit, moving down to 4.5 percent growth over the past year. This is still a very strong rate of employment growth and continues to suggest a high level of in-migration is occurring to sustain this growth. As a result we have seen, and should continue to see, strong wage gains.

Growth remains well above the state's long-term average of 3.3 percent per year since 1950. Utah stands alone as the nation's best performing economy. Approximately 54,500 new jobs have been created in the Utah economy over the past year, raising total wage and salary employment in Utah to 1,262,800. This increase translates to around 4,500 new jobs created monthly in Utah over the past year.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, measures 2.6 percent for August—down 0.3 percentage points from the unemployment rate of 2.9 percent registered a year ago in August, 2006. Approximately 35,000 Utahns were unemployed in August 2007 as compared to 37,700 in August 2006. The United States' unemployment rate held even at 4.6 percent in August.

Mark Knold, chief economist for the Department of Workforce Services commented, "Utah's employment growth remains in high gear. Even though the employment growth rate moved down slightly and may yet continue to move slowly downward, our growth will still remain aggressive and above average. Lately I get asked how the sub-prime mortgage situation will affect Utah, and the answer seems to be, not much. Utah didn't experience a high usage of this mortgage voodoo, so our exposure to its negativity is limited. Even those who did use this financing vehicle may be able to weather their mortgage-rate adjustments, anchored upon Utah's strong job market and wage increases. Utah's economic growth momentum should be enough to mitigate any negative mortgage influence that may arise."

Since August 2006, the United States' economy has added 1.5 million new jobs—a growth rate of 1.1 percent. The approximately 54,500 new jobs in Utah represent about 5.0 percent of all the **new** jobs added in the United States over the past year—this from a state that comprises less than 1 percent of **all** United States jobs.

All industrial sectors continue to add new jobs in Utah. These occur in different magnitudes and at different rates. Construction continues to lead job growth with over 12,000 new jobs created since August 2006, but that number has been ever-so-subtly abating as this year has progressed. In contrast, back in March of this year, the construction industry had added around

Utah Labor Market Indicators August 2007

Employment Growth: 4.5%
Employment Increase: 54,500
Unemployment Rate: 2.6%

United States

Employment Growth: 1.1%
Unemployment Rate: 4.6%

14,000 new jobs since March 2006. This decline is relatively small, but the point is not so much the amount of the decline, but the decline itself. It is a directional signal of a trend. This should come as no surprise however—and with no alarm—as the powerful construction growth of the past three years eventually had to start to abate. And with residential construction having passed its peak in 2006 and the current noticeable drop in house-building permits, this is all par for the course. Nonresidential construction is still going strong in Utah and should continue that way for another several years, providing a soft landing in the face of anticipated fewer residential housing approvals (not because of mortgage problems but because of demographic factors).

The recent Utah economic boom has its foundation in a population surge; in particular, a surge in 20-to-30 year-olds not only entering the labor force, but entering the entire socio-economic sphere. Utah's economy could not absorb these new entrants in the early 2000s, and is therefore now rapidly expanding to accommodate these new and emerging workers. Not only are they finding their place in the labor force, but with marriages and subsequent household formations, they also become a large group of consumers. They buy their first house, stock it with furniture, buy cars, diapers, needs and luxuries befitting the spending patterns of their age profile. They are the primary reason for Utah's recent construction boom. We have built to accommodate them.

They are a large new group of consumers, and we have built many new retail outlets to capture their dollars. The ongoing construction boom not only built houses, but also commercial and industrial space as well. With that, as the primary industry of capturing consumer dollars, the trade (trade, transportation, utilities) sector has added around 11,000 new jobs over the past year, and that number is continuing to slowly trend upward as more retail space comes on line.

Utah also continues to add quality jobs to its economic portfolio. Some of this we see in the addition of 7,500 new jobs since last August in the professional and business services area. This sector includes the staffing agencies, such as Manpower and Kelly Services, but the amount of labor growth coming through these labor vehicles has dramatically slowed, as labor has become such a valuable and premium commodity in an environment of sub-3-percent unemployment for over a year now that temporary and idled workers are scarce. The growth of the professional and business sector is now almost wholly coming from the professional side—i.e. those jobs that require much knowledge through education and institutional experience. These are service-sector jobs that pay well, including, but not limited to, accountants, engineers, architects, consultants, and researchers.

Healthcare continues to be a vibrant and growing industry in Utah. In the industry identification structure established by the federal government, healthcare and education (private sector) are lumped together, and combined they have added 5,200 new jobs over the past year. But make no mistake—most of that growth is occurring on the healthcare side. As population increases, so do illnesses, accidents, and health maintenance needs. It is a growing industry, and as long as Utah's population grows aggressively, so will it.

*** Utah's August seasonally-adjusted unemployment rates by county are scheduled for release on Monday, September 24, 2007.**

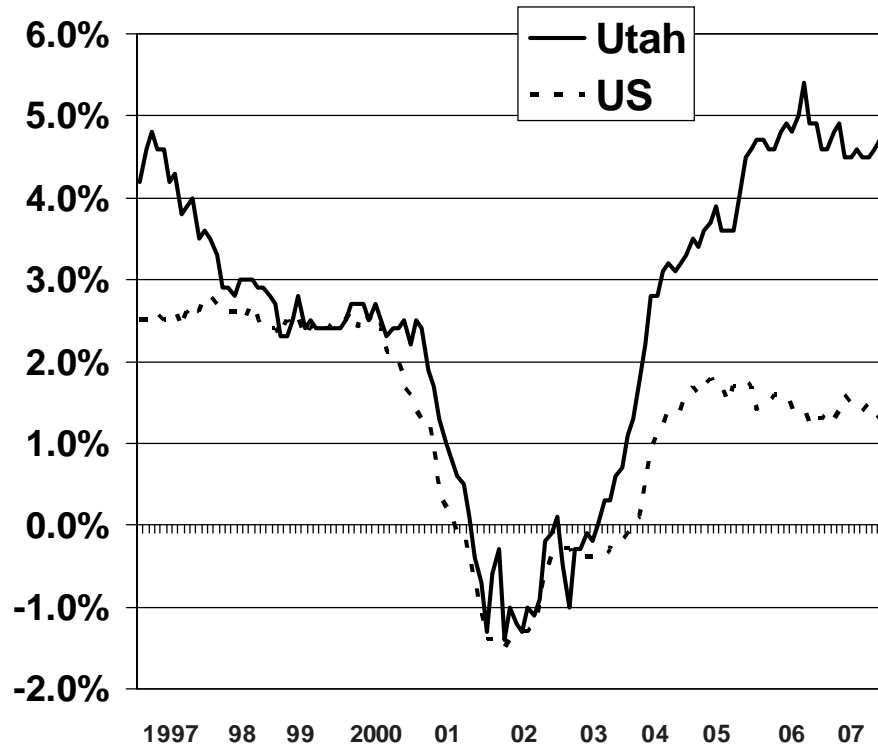
*** Utah's September employment numbers will be released at 9:00 a.m. on Tuesday, October 16, 2007.**

Utah Nonagricultural Jobs by Industry and Components of the Labor Force

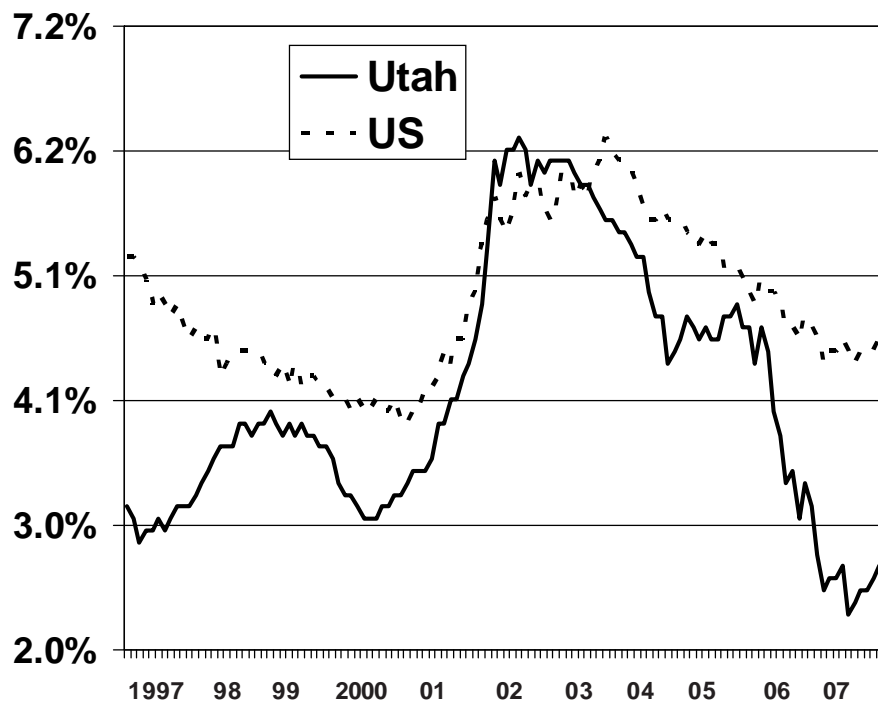
| Numbers are in thousands | Aug(f) 2007 | Aug 2006 | Percentage Change | July(r) 2007 | July 2006 | Percentage Change |
|---|----------------|----------------|----------------------|-----------------|----------------|----------------------|
| CIVILIAN LABOR FORCE (seasonally-adjusted) | 1,338.4 | 1,318.7 | 1.5 | 1,352.4 | 1,314.5 | 2.9 |
| Employed | 1,303.4 | 1,281.0 | 1.7 | 1,316.4 | 1,276.2 | 3.1 |
| Unemployed | 35.0 | 37.7 | -7.2 | 36.0 | 38.3 | -6.0 |
| Unemployment Rate | 2.6 | 2.9 | | 2.7 | 2.9 | |
| NONAGRICULTURAL EMPLOYMENT (Thousands) | 1,262.8 | 1,208.3 | 4.5 | 1,251.9 | 1,196.3 | 4.6 |
| Not seasonally-adjusted | | | | | | |
| GOODS PRODUCING | 254.0 | 235.5 | 7.9 | 252.5 | 232.8 | 8.5 |
| Natural Resources, and Mining | 11.6 | 10.5 | 10.9 | 11.8 | 10.4 | 13.1 |
| Construction | 113.4 | 101.2 | 12.1 | 112.1 | 99.1 | 13.2 |
| Construction of Buildings | 23.7 | 22.1 | 7.4 | 23.8 | 21.8 | 9.1 |
| Heavy and Civil Engineering | 11.5 | 10.3 | 12.3 | 11.2 | 10.0 | |
| Specialty Trade Contractors | 78.2 | 68.8 | 13.5 | 77.1 | 67.3 | 14.5 |
| Manufacturing | 129.0 | 123.9 | 4.1 | 128.5 | 123.3 | 4.3 |
| Durable Goods | 88.4 | 84.0 | 5.3 | 87.8 | 83.4 | 5.3 |
| Primary and Fabricated Metals | 16.6 | 16.1 | 2.9 | 16.5 | 16.0 | 3.1 |
| Computer and Electronic Products | 12.6 | 11.2 | 12.5 | 12.5 | 11.1 | 12.4 |
| Transportation and Equipment Manufacturing | 15.2 | 14.7 | 3.6 | 15.2 | 14.6 | 3.6 |
| Non-Durable Goods | 40.6 | 40.0 | 1.5 | 40.7 | 39.9 | 2.1 |
| SERVICES PROVIDING | 1,008.8 | 972.5 | 3.7 | 999.5 | 963.3 | 3.8 |
| Trade, Transportation, and Utilities | 247.4 | 236.4 | 4.7 | 245.2 | 234.2 | 4.7 |
| Wholesale Trade | 47.5 | 45.0 | 5.6 | 47.3 | 44.9 | 5.5 |
| Retail Trade | 148.7 | 141.8 | 4.9 | 147.0 | 140.2 | 4.8 |
| Motor Vehicle and Parts Dealers | 18.9 | 18.0 | 4.8 | 18.7 | 17.8 | 5.3 |
| Food and Beverage Stores | 23.8 | 23.2 | 2.3 | 23.5 | 23.0 | 2.3 |
| General Merchandise Stores | 27.2 | 26.6 | 2.2 | 27.0 | 26.4 | 2.4 |
| Transportation and Utilities | 51.2 | 49.6 | 3.3 | 50.8 | 49.1 | 3.5 |
| Utilities | 4.1 | 4.0 | 0.9 | 4.1 | 4.1 | 0.8 |
| Transportation & Warehousing | 47.1 | 45.5 | 3.5 | 46.8 | 45.1 | 3.7 |
| Air Transportation | 7.1 | 6.7 | 5.5 | 6.9 | 6.6 | 5.4 |
| Truck Transportation | 19.7 | 18.8 | 4.5 | 19.5 | 18.6 | 4.9 |
| Information | 33.1 | 32.9 | 0.4 | 32.8 | 32.6 | 0.7 |
| Publishing Industries | 9.5 | 9.3 | 1.9 | 9.5 | 9.3 | 2.2 |
| Motion Picture and Sound Recording | 4.2 | 4.6 | -9.2 | 4.1 | 4.6 | -10.5 |
| Telecommunications | 7.3 | 6.5 | 12.5 | 7.2 | 6.4 | 12.5 |
| Internet Service Providers | 7.3 | 7.7 | -6.0 | 7.2 | 7.6 | -4.2 |
| Financial Activities | 76.0 | 71.9 | 5.8 | 75.6 | 71.6 | 5.6 |
| Finance and Insurance | 57.0 | 54.0 | 5.5 | 56.8 | 54.0 | 5.2 |
| Real Estate and Rental and Leasing | 19.0 | 17.9 | 6.6 | 18.8 | 17.7 | 6.6 |
| Professional and Business Services | 165.7 | 158.2 | 4.7 | 164.9 | 157.1 | 5.0 |
| Professional, Scientific, and Technical Services | 66.3 | 61.5 | 7.8 | 66.0 | 60.9 | 8.3 |
| Architectural, Engineering, and Related | 13.3 | 12.2 | 9.5 | 13.3 | 12.0 | 10.2 |
| Computer Systems Design and Related | 14.6 | 13.5 | 8.0 | 14.5 | 13.3 | 8.4 |
| Management of Companies and Enterprises | 19.8 | 19.5 | 1.4 | 19.8 | 19.5 | 1.7 |
| Administration & Support | | | | | | |
| & Waste Management & Remediation | 79.6 | 77.2 | 3.0 | 79.1 | 76.7 | 3.1 |
| Employment Services | 25.5 | 25.1 | 1.9 | 24.6 | 24.3 | 1.2 |
| Business Support Services | 16.8 | 17.1 | -1.4 | 17.0 | 17.4 | -2.4 |
| Education and Health Services | 137.1 | 131.9 | 4.0 | 135.2 | 130.2 | 3.9 |
| Educational Services | 28.3 | 27.0 | 4.6 | 27.4 | 26.3 | 4.3 |
| Health Services and Social Assistance | 108.9 | 104.9 | 3.8 | 107.8 | 103.9 | 3.8 |
| Ambulatory Health Care Services | 43.8 | 42.0 | 4.2 | 43.0 | 41.1 | 4.6 |
| Hospitals | 29.8 | 28.8 | 3.7 | 29.9 | 29.0 | 3.1 |
| Nursing and Residential Care Facilities | 20.1 | 19.5 | 3.0 | 20.0 | 19.4 | 2.9 |
| Social Assistance | 15.2 | 14.6 | 4.1 | 14.9 | 14.4 | 4.1 |
| Leisure and Hospitality | 116.5 | 111.6 | 4.4 | 115.6 | 110.8 | 4.3 |
| Arts, Entertainment, and Recreation | 19.4 | 18.5 | 4.9 | 19.2 | 18.3 | 5.1 |
| Accommodation and Food Services | 97.1 | 93.1 | 4.4 | 96.4 | 92.5 | 4.2 |
| Accommodation | 18.9 | 18.1 | 4.2 | 18.9 | 18.1 | 4.1 |
| Food Services and Drinking Places | 78.2 | 75.0 | 4.4 | 77.5 | 74.4 | 4.2 |
| Other Services | 36.9 | 35.4 | 4.3 | 36.9 | 35.4 | 4.3 |
| Government | 196.1 | 194.3 | 1.0 | 193.2 | 191.4 | 1.0 |
| Federal Government | 37.3 | 37.0 | 0.6 | 37.4 | 37.1 | 0.6 |
| Federal Defense | 16.8 | 16.8 | 0.1 | 16.8 | 16.8 | 0.0 |
| Other Federal Government | 20.4 | 20.2 | 1.0 | 20.6 | 20.4 | 1.0 |
| State Government | 60.5 | 59.8 | 1.1 | 60.7 | 60.0 | 1.1 |
| State Schools | 32.3 | 31.9 | 1.3 | 31.6 | 31.2 | 1.3 |
| Other State Government | 28.2 | 28.0 | 0.9 | 29.0 | 28.8 | 0.9 |
| Local Government | 98.3 | 97.4 | 1.0 | 95.2 | 94.2 | 1.0 |
| Local Education | 50.9 | 50.6 | 0.7 | 47.9 | 47.5 | 0.8 |
| Other Local Government | 47.5 | 46.8 | 1.3 | 47.3 | 46.7 | 1.2 |

Source: Utah Department of Workforce Services f = forecast r = revised September 18, 2007

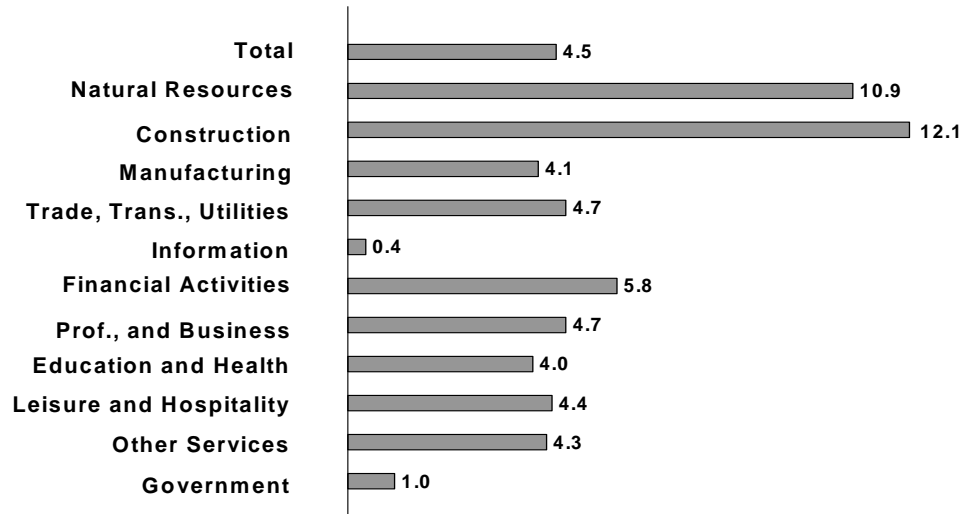
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

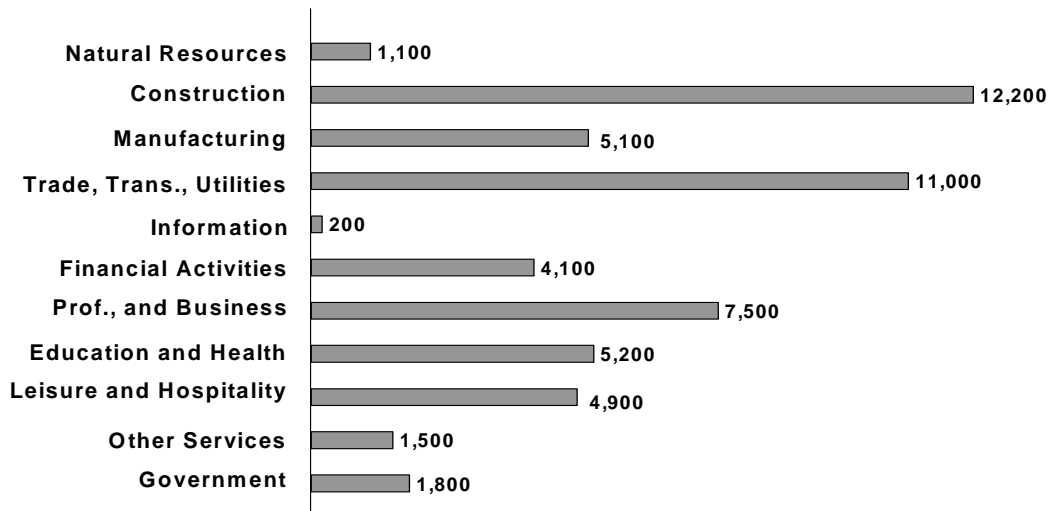


Utah Nonfarm Job Growth (Percent Change) August 2006 – 2007



Source: Utah Department of Workforce Services

Utah Nonfarm Job Growth (Numeric Change) August 2006 – 2007



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

| | August 2007(f) | August 2006 | Percent Change | July 2007(r) | June 2007(r) |
|----------------------|-------------------|----------------|-------------------|-----------------|-----------------|
| State Total | 1,262,847 | 1,208,300 | 4.5 | 1,251,946 | 1,267,005 |
| Bear River | 69,025 | 66,930 | 3.1 | 68,031 | 71,047 |
| Box Elder | 20,036 | 19,328 | 3.7 | 20,051 | 20,515 |
| Cache | 48,000 | 46,674 | 2.8 | 47,000 | 49,562 |
| Rich | 989 | 928 | 6.6 | 980 | 971 |
| Wasatch Front | 831,088 | 797,182 | 4.3 | 825,634 | 830,153 |
| North | 204,869 | 197,560 | 3.7 | 204,427 | 206,790 |
| Davis | 106,230 | 102,166 | 4.0 | 106,022 | 107,425 |
| Morgan | 1,964 | 1,868 | 5.1 | 1,926 | 1,990 |
| Weber | 96,675 | 93,526 | 3.4 | 96,478 | 97,376 |
| South | 626,219 | 599,622 | 4.4 | 621,207 | 623,363 |
| Salt Lake | 610,364 | 584,663 | 4.4 | 605,420 | 607,476 |
| Tooele | 15,855 | 14,959 | 6.0 | 15,787 | 15,887 |
| Mountainland | 213,106 | 201,170 | 5.9 | 209,592 | 213,158 |
| Summit | 20,355 | 19,343 | 5.2 | 20,024 | 19,822 |
| Utah | 185,475 | 175,325 | 5.8 | 182,327 | 185,691 |
| Wasatch | 7,276 | 6,502 | 11.9 | 7,241 | 7,645 |
| Central | 24,780 | 23,770 | 4.2 | 24,619 | 25,681 |
| Juab | 3,945 | 3,735 | 5.6 | 3,971 | 3,946 |
| Millard | 3,969 | 3,897 | 1.9 | 3,995 | 4,059 |
| Piute | 367 | 341 | 7.5 | 365 | 400 |
| Sanpete | 6,901 | 6,625 | 4.2 | 6,794 | 7,620 |
| Sevier | 8,366 | 7,985 | 4.8 | 8,280 | 8,428 |
| Wayne | 1,231 | 1,187 | 3.7 | 1,214 | 1,228 |
| Southwestern | 79,466 | 76,022 | 4.5 | 79,035 | 80,362 |
| Beaver | 2,060 | 1,998 | 3.1 | 2,046 | 2,152 |
| Garfield | 2,712 | 2,645 | 2.5 | 2,702 | 2,703 |
| Iron | 16,565 | 15,904 | 4.2 | 16,495 | 17,064 |
| Kane | 3,671 | 3,471 | 5.8 | 3,597 | 3,685 |
| Washington | 54,458 | 52,004 | 4.7 | 54,195 | 54,758 |
| Uintah Basin | 22,348 | 20,700 | 8.0 | 22,170 | 22,837 |
| Daggett | 567 | 551 | 2.9 | 586 | 586 |
| Duchesne | 7,781 | 6,831 | 13.9 | 7,518 | 7,732 |
| Uintah | 14,000 | 13,318 | 5.1 | 14,067 | 14,519 |
| Southeastern | 23,034 | 22,526 | 2.3 | 22,864 | 23,767 |
| Carbon | 9,322 | 9,270 | 0.6 | 9,201 | 9,666 |
| Emery | 3,993 | 4,001 | -0.2 | 4,080 | 4,112 |
| Grand | 5,339 | 5,008 | 6.6 | 5,399 | 5,499 |
| San Juan | 4,379 | 4,247 | 3.1 | 4,184 | 4,489 |

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 9/18/07